



General Assembly

**Substitute Bill No. 7373**

January Session, 2019



**AN ACT CONCERNING THE DEPARTMENT OF REVENUE SERVICES' RECOMMENDATIONS FOR TAX ADMINISTRATION AND MINOR REVISIONS TO THE TAX AND RELATED STATUTES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-699 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2019, and*  
3 *applicable to taxable years commencing on or after January 1, 2019*):

4 (a) As used in this section and section 12-699a, as amended by this  
5 act:

6 (1) "Partnership" has the same meaning as provided in Section  
7 7701(a)(2) of the Internal Revenue Code, as defined in section 12-213,  
8 and regulations adopted thereunder. "Partnership" includes a limited  
9 liability company that is treated as a partnership for federal income tax  
10 purposes;

11 (2) "S corporation" means a corporation or a limited liability  
12 company that is treated as an S corporation for federal income tax  
13 purposes;

14 (3) "Affected business entity" means a partnership or an S  
15 corporation, but does not include a publicly-traded partnership, as  
16 defined in Section 7704(b) of the Internal Revenue Code, that has

17 agreed to file an annual return pursuant to section 12-726 reporting the  
18 name, address, Social Security number or federal employer  
19 identification number and such other information required by the  
20 Commissioner of Revenue Services of each unitholder whose  
21 distributive share of partnership income derived from or connected  
22 with sources within this state was more than five hundred dollars;

23 (4) "Member" means (A) a shareholder of an S corporation, (B) a  
24 partner in (i) a general partnership, (ii) a limited partnership, or (iii) a  
25 limited liability partnership, or (C) a member of a limited liability  
26 company that is treated as a partnership or an S corporation for federal  
27 income tax purposes; and

28 (5) "Taxable year" means the taxable year of an affected business  
29 entity for federal income tax purposes.

30 (b) Each affected business entity that is required to file a return  
31 under the provisions of section 12-726 shall, on or before the fifteenth  
32 day of the third month following the close of each taxable year, pay to  
33 the commissioner a tax as determined under this section.

34 (c) The tax due under subsection (b) of this section shall equal (1)  
35 (A) the separately and nonseparately computed items, as described in  
36 Section 702(a) of the Internal Revenue Code with respect to a  
37 partnership or Section 1366 of the Internal Revenue Code with respect  
38 to an S corporation, of the affected business entity, excluding any item  
39 treated as an itemized deduction for federal income tax purposes, plus  
40 any item described in Section 707(c) of the Internal Revenue Code with  
41 respect to a partnership, to the extent any such items under this  
42 subparagraph are derived from or connected with sources within this  
43 state, as determined under the provisions of chapter 229, (B) as  
44 increased or decreased by any modification described in section 12-701  
45 that relates to an item of the affected business entity's income, gain,  
46 loss or deduction, to the extent derived from or connected with sources  
47 within this state, as determined under the provisions of chapter 229, (2)  
48 multiplied by six and ninety-nine-hundredths per cent. If the amount

49 calculated under subdivision (1) of this subsection results in a net loss,  
50 such net loss may be carried forward to succeeding taxable years until  
51 fully used.

52 (d) If an affected business entity, the lower-tier entity, is a member  
53 of another affected business entity, the upper-tier entity, the lower-tier  
54 entity shall, when calculating the amount under subdivision (1) of  
55 subsection (c) of this section, subtract its distributive share of income  
56 or add its distributive share of loss from the upper-tier entity to the  
57 extent that the income or loss was derived from or connected with  
58 sources within this state.

59 (e) [(1)] A nonresident individual who is a member of an affected  
60 business entity shall not be required to file an income tax return under  
61 the provisions of chapter 229 for a taxable year if, for such taxable year,  
62 the only source of income derived from or connected with sources  
63 within this state for such member, or the member and the member's  
64 spouse if a joint federal income tax return is or shall be filed, is from  
65 one or more affected business entities and such [affected business  
66 entity or entities file and pay the tax due under this section]  
67 nonresident individual member's tax under chapter 229 would be fully  
68 satisfied by the credit allowed to such individual under subparagraph  
69 (A) of subdivision (1) of subsection (g) of this section.

70 [(2) The provisions of subdivision (1) of this subsection shall not  
71 apply to a nonresident individual who is a member of an affected  
72 business entity that elects to file its return on a combined basis under  
73 subsection (j) of this section if such nonresident individual member's  
74 tax under chapter 229 would not be fully satisfied by the credit  
75 allowed to such individual under subparagraph (A) of subdivision (1)  
76 of subsection (g) of this section.]

77 (f) Each affected business entity shall report to each of its members,  
78 for each taxable year, such member's direct [pro rata] share of the tax  
79 imposed under this section on such affected business entity and  
80 indirect [pro rata] share of the tax imposed on any upper-tier entity of

81 which such affected business entity is a member.

82 (g) (1) (A) Each person that is subject to the tax imposed under  
83 chapter 229 and is a member of an affected business entity shall be  
84 entitled to a credit against the tax imposed under said chapter, other  
85 than the tax imposed under section 12-707. Such credit shall be in an  
86 amount equal to such person's direct and indirect [pro rata] share of  
87 the tax due and paid under this section by any affected business entity  
88 of which such person is a member multiplied by ninety-three and one-  
89 hundredths per cent. If the amount of the credit allowed pursuant to  
90 this subdivision exceeds such person's tax liability for the tax imposed  
91 under said chapter, the commissioner shall treat such excess as an  
92 overpayment and, except as provided in section 12-739 or 12-742, shall  
93 refund the amount of such excess, without interest, to such person.

94 (B) Each person that is subject to the tax imposed under chapter 229  
95 as a resident or a part-year resident of this state and is a member of an  
96 affected business entity shall also be entitled to a credit against the tax  
97 imposed under said chapter, other than the tax imposed under section  
98 12-707, for such person's direct and indirect [pro rata] share of taxes  
99 paid to another state of the United States or the District of Columbia,  
100 on income of any affected business entity of which such person is a  
101 member that is derived therefrom, provided the taxes paid to another  
102 state of the United States or the District of Columbia results from a tax  
103 that the commissioner determines is substantially similar to the tax  
104 imposed under this section. Any such credit shall be calculated in the  
105 manner prescribed by the commissioner, which shall be consistent  
106 with the provisions of section 12-704.

107 (2) Each company that is subject to the tax imposed under chapter  
108 208 and is a member of an affected business entity shall be entitled to a  
109 credit against the tax imposed under said chapter. Such credit shall be  
110 in an amount equal to such company's direct and indirect [pro rata]  
111 share of the tax paid under this section by any affected business entity  
112 of which such company is a member multiplied by ninety-three and  
113 one-hundredths per cent. Such credit shall be applied after all other

114 credits are applied and shall not be subject to the limits imposed under  
115 section 12-217zz. Any credit that is not used in the income year during  
116 which the affected business entity incurs the tax under this section  
117 shall be carried forward to each of the succeeding income years by the  
118 company until such credit is fully taken against the tax under chapter  
119 208.

120 (h) Upon the failure of any affected business entity to pay the tax  
121 due under this section within thirty days of the due date, the  
122 provisions of section 12-35, as amended by this act, shall apply with  
123 respect to the enforcement of this section and the collection of such tax.  
124 The warrant therein provided for shall be signed by the commissioner  
125 or an authorized agent of the commissioner. The amount of any such  
126 tax, penalty and interest shall be a lien, from the last day of the last  
127 month of the taxable year next preceding the due date of such tax until  
128 discharged by payment, against all real estate of the taxpayer within  
129 the state, and a certificate of such lien signed by the commissioner may  
130 be recorded in the office of the clerk of any town in which such real  
131 estate is situated, provided no such lien shall be effective as against  
132 any bona fide purchaser or qualified encumbrancer of any interest in  
133 any such property. When any tax with respect to which a lien has been  
134 recorded under the provisions of this section has been satisfied, the  
135 commissioner, upon request of any interested party, shall issue a  
136 certificate discharging such lien, which certificate shall be recorded in  
137 the same office in which the lien was recorded. Any action for the  
138 foreclosure of such lien shall be brought by the Attorney General in the  
139 name of the state in the superior court for the judicial district in which  
140 the property subject to such lien is situated, or, if such property is  
141 located in two or more judicial districts, in the superior court for any  
142 one such judicial district, and the court may limit the time for  
143 redemption or order the sale of such property or make such other or  
144 further decree as it judges equitable.

145 (i) If any tax is not paid when due as provided in this section, there  
146 shall be added to the amount of the tax interest at the rate of one per

147 cent per month or fraction thereof from the date the tax became due  
148 until it is paid.

149 (j) (1) Any affected business entity subject to tax under this section  
150 may elect to file a combined return together with one or more other  
151 commonly-owned affected business entities subject to tax under this  
152 section. Each affected business entity making such election shall  
153 submit written notice of such election to file a combined return,  
154 including the written consent of the other commonly-owned affected  
155 business entities to such election, to the commissioner not later than  
156 the due date, or if an extension of time to file has been requested and  
157 granted, the extended due date, of the returns due from such entities.  
158 An affected business entity shall submit such written notice and  
159 consent for each taxable year such entity makes the election under this  
160 subdivision. Each affected business entity electing to file a combined  
161 return under this subdivision shall be jointly and severally liable for  
162 the tax due under this section. For the purposes of this subdivision,  
163 "commonly-owned" means that more than eighty per cent of the voting  
164 control of an affected business entity is directly or indirectly owned by  
165 a common owner or owners, either corporate or noncorporate.  
166 Whether voting control is indirectly owned shall be determined in  
167 accordance with Section 318 of the Internal Revenue Code.

168 (2) Except as provided in subdivision (5) of this subsection, affected  
169 business entities that elect to file a combined return under subdivision  
170 (1) of this subsection shall net the amounts each such entity calculates  
171 under subdivision (1) of subsection (c) of this section after such  
172 amounts are separately apportioned or allocated by each affected  
173 business entity in accordance with this section.

174 (3) Affected business entities that elect to file a combined return  
175 under subdivision (1) of this subsection shall report to the  
176 commissioner the portion of the direct and indirect [pro rata] share of  
177 the tax paid with the combined return that is allocated to each of their  
178 members. Such report shall be filed with the combined return and the  
179 allocation reported shall be irrevocable.

180 (4) The election made under this subsection shall not affect the  
181 calculation of tax due under any other provision of the general statutes  
182 other than with respect to the calculation of the credits under  
183 subsection (g) of this section.

184 (5) Affected business entities that elect to file a combined return  
185 under subdivision (1) of this subsection shall calculate their tax due in  
186 accordance with subsection (c) of this section unless each such entity  
187 elects under subsection (k) of this section to calculate its tax due on the  
188 alternative basis under subsection (l) of this section. If such election is  
189 made, the affected business entities shall net their alternative tax bases  
190 instead of netting the amounts under subdivision (2) of this subsection.

191 (k) In lieu of calculating the tax due in accordance with subsection  
192 (c) of this section, any affected business entity may elect to calculate  
193 the tax due on the alternative basis under subsection (l) of this section.  
194 An affected business entity making such election shall submit to the  
195 commissioner written notice of such election not later than the due  
196 date, or if an extension of time to file has been requested and granted,  
197 the extended due date, of the return due from such entity. An affected  
198 business entity shall submit such written notice for each taxable year  
199 such entity makes the election under this subsection. The election  
200 made under this subsection shall not affect the calculation of tax due  
201 under any other provision of the general statutes other than with  
202 respect to the calculation of the credits under subsection (g) of this  
203 section.

204 (l) (1) The tax due from an affected business entity making the  
205 election under subsection (k) of this section shall be equal to six and  
206 ninety-nine-hundredths per cent multiplied by the alternative tax base.  
207 The alternative tax base shall be equal to the resident portion of  
208 unsourced income plus modified Connecticut source income.

209 (2) For the purposes of this subsection:

210 (A) "Resident portion of unsourced income" means unsourced

211 income multiplied by a percentage equal to the sum of the ownership  
212 interests in the affected business entity owned directly or indirectly by  
213 members who are residents of this state, as defined in section 12-701;

214 (B) "Unsourced income" means the separately and nonseparately  
215 computed items, as described in Section 702(a) of the Internal Revenue  
216 Code with respect to a partnership or Section 1366 of the Internal  
217 Revenue Code with respect to an S corporation, of the affected  
218 business entity, excluding any item treated as an itemized deduction  
219 for federal income tax purposes, plus any item described in Section  
220 707(c) of the Internal Revenue Code with respect to a partnership,  
221 regardless of the location from which such item is derived or  
222 connected, as increased or decreased by any modification described in  
223 section 12-701, that relates to an item of the affected business entity's  
224 income, gain, loss or deduction, regardless of the location from which  
225 such item is derived or connected, less (i) the amount determined  
226 under subdivision (1) of subsection (c) of this section, determined  
227 without regard to subsection (d) of this section, and (ii) (I) the  
228 separately and nonseparately computed items, as described in Section  
229 702(a) of the Internal Revenue Code, of the affected business entity,  
230 excluding any item treated as an itemized deduction for federal  
231 income tax purposes, plus any item described in Section 707(c) of the  
232 Internal Revenue Code with respect to a partnership, to the extent any  
233 such items under this subclause are derived from or connected with  
234 sources within another state that has jurisdiction to subject the affected  
235 business entity to tax, as determined under the provisions of chapter  
236 229, (II) as increased or decreased by any modification described in  
237 section 12-701, that relates to an item of the affected business entity's  
238 income, gain or deduction, to the extent derived from or connected  
239 with sources within another state that has jurisdiction to subject the  
240 affected business entity to tax, as determined under the provisions of  
241 chapter 229; and

242 (C) "Modified Connecticut source income" means the amount  
243 calculated under subdivision (1) of subsection (c) of this section

244 multiplied by a percentage equal to the sum of the ownership interests  
245 in the affected business entity owned by members that are (i) subject to  
246 tax under chapter 229, or (ii) affected business entities to the extent  
247 such entities are directly or indirectly owned by persons subject to tax  
248 under chapter 229. A member that is an affected business entity shall  
249 be presumed to be directly or indirectly owned by persons subject to  
250 tax under chapter 229 unless the affected business entity subject to tax  
251 under this section can establish otherwise by clear and convincing  
252 evidence to the satisfaction of the commissioner.

253 (m) The provisions of sections 12-723, 12-725 and 12-728 to 12-737,  
254 inclusive, shall apply to the provisions of this section in the same  
255 manner and with the same force and effect as if the language of said  
256 sections had been incorporated in full into this section and had  
257 expressly referred to the tax under this section, except to the extent  
258 that any such provision is inconsistent with a provision of this section.

259 Sec. 2. Subdivision (1) of subsection (b) of section 12-699a of the  
260 general statutes is repealed and the following is substituted in lieu  
261 thereof (*Effective July 1, 2019, and applicable to taxable years commencing*  
262 *on or after January 1, 2019*):

263 (b) (1) Each affected business entity required to pay the tax imposed  
264 under section 12-699, as amended by this act, and whose required  
265 annual payment for the taxable year is greater than or equal to one  
266 thousand dollars shall make the required annual payment each taxable  
267 year, in four required estimated tax installments on the following due  
268 dates: (A) For the first required installment, the fifteenth day of the  
269 fourth month of the taxable year; (B) for the second required  
270 installment, the fifteenth day of the sixth month of the taxable year; (C)  
271 for the third required installment, the fifteenth day of the ninth month  
272 of the taxable year, and (D) for the fourth required installment, the  
273 fifteenth day of the first month of the next succeeding taxable year. An  
274 affected business entity may elect to pay any required installment prior  
275 to the specified due date. Except as provided in subdivision (2) of this  
276 subsection, the amount of each required installment shall be twenty-

277 five per cent of the required annual payment.

278 Sec. 3. Subdivision (8) of subsection (a) of section 3-20j of the general  
279 statutes is repealed and the following is substituted in lieu thereof  
280 (*Effective from passage*):

281 (8) "Withholding taxes" means taxes required to be deducted and  
282 withheld [by employers from the wages and salaries of employees]  
283 pursuant to sections 12-705 and 12-706 and paid [by employers] to the  
284 Commissioner of Revenue Services pursuant to section 12-707 [as a  
285 credit for income taxes payable by such employees, and includes,  
286 without limitation, taxes deducted and withheld pursuant to sections  
287 12-705 and 12-706] upon receipt by the state and including penalty and  
288 interest charges on such taxes.

289 Sec. 4. Subdivision (2) of subsection (b) of section 12-35 of the  
290 general statutes is repealed and the following is substituted in lieu  
291 thereof (*Effective October 1, 2019*):

292 (2) Any such warrant on any intangible personal property of any  
293 person may be served by electronic mail, [or] facsimile machine or  
294 other electronic means on any third person in possession of, or  
295 obligated with respect to, receivables, bank accounts, evidences of  
296 debt, securities, salaries, wages, commissions, compensation or other  
297 intangible personal property subject to such warrant, ordering such  
298 third person to forthwith deliver such property or pay the amount due  
299 or payable to the state collection agency that has made out such  
300 warrant, provided such warrant may be issued only after the state  
301 collection agency making out such warrant has notified the person  
302 owning such property, in writing, of its intention to issue such  
303 warrant. The notice of intent shall be: (A) Given in person; (B) left at  
304 the dwelling or usual place of business of such person; or (C) sent by  
305 certified mail, return receipt requested, to such person's last-known  
306 address, not less than thirty days before the day the warrant is to be  
307 issued. Any such warrant for tax due may further include an order to  
308 such third person to continually deliver, during the one hundred

309 eighty days immediately following the date of issuance of the warrant  
310 or until the tax is fully paid, whichever occurs earlier, all intangible  
311 personal property that is due and that becomes due to the person  
312 owing the tax. Except as otherwise provided in this subdivision, such  
313 warrant shall have the same force and effect as an execution issued  
314 pursuant to chapter 906.

315 Sec. 5. Subparagraph (B) of subdivision (2) of section 12-408 of the  
316 general statutes is repealed and the following is substituted in lieu  
317 thereof (*Effective from passage and applicable to claims for credit received on*  
318 *or after such date*):

319 (B) Whenever such tax, payable by the consumer (i) with respect to  
320 a charge account or credit sale, [occurring on or after July 1, 1984,] is  
321 remitted by the retailer to the commissioner and such sale as an  
322 account receivable is determined to be worthless and is actually  
323 written off as uncollectible for federal income tax purposes, or (ii) to a  
324 retailer who computes taxable income, for purposes of taxation under  
325 the Internal Revenue Code of 1986, or any subsequent corresponding  
326 internal revenue code of the United States, as amended from time to  
327 time, [amended,] on the cash basis method of accounting with respect  
328 to a sale, [occurring on or after July 1, 1989,] is remitted by the retailer  
329 to the commissioner and such sale as an account receivable is  
330 determined to be worthless, the amount of such tax remitted may be  
331 credited against the tax due on the sales tax return filed by the retailer  
332 for the monthly or quarterly period, whichever is applicable, next  
333 following the period in which such amount is actually so written off,  
334 but in no event shall such credit be allowed later than three years  
335 following the date such tax is remitted, unless the credit relates to a  
336 period for which a waiver is given pursuant to subsection (g) of section  
337 12-415. The commissioner shall, by regulations adopted in accordance  
338 with the provisions of chapter 54, provide standards for proving any  
339 such claim for credit. If any payment is made by a consumer with  
340 respect to an account, such payment shall be applied first toward the  
341 sales tax, and if any account with respect to which such credit is

342 allowed is thereafter collected by the retailer in whole or in part, the  
343 amount so collected, up to the amount of the sales tax for which the  
344 credit was claimed, shall be included in the sales tax return covering  
345 the period in which such collection occurs. The tax applicable in any  
346 such case shall be determined in accordance with the rate of sales tax  
347 in effect at the time of the original sale.

348 Sec. 6. Section 12-435 of the general statutes is repealed and the  
349 following is substituted in lieu thereof (*Effective July 1, 2019*):

350 Each distributor of alcoholic beverages shall pay a tax to the state on  
351 all sales within the state of alcoholic beverages, except sales to licensed  
352 distributors, sales of alcoholic beverages [which] that, in the course of  
353 such sales, are actually transported to some point without the state and  
354 except [malt beverages which are] beer that is consumed on the  
355 premises covered by a manufacturer's permit, at the rates for the  
356 respective categories of alcoholic beverages listed below:

357 [(a)] (1) Beer, seven dollars and twenty cents for each barrel, three  
358 dollars and sixty cents for each half barrel, one dollar and eighty cents  
359 for each quarter barrel and twenty-four cents per wine gallon or  
360 fraction thereof on quantities less than a quarter barrel;

361 [(b)] (2) Liquor, five dollars and forty cents per wine gallon;

362 [(c)] (3) Still wines containing not more than twenty-one per cent of  
363 absolute alcohol, except as provided in [subsections (g) and (h)]  
364 subdivisions (7) and (8) of this section, seventy-two cents per wine  
365 gallon;

366 [(d)] (4) Still wines containing more than twenty-one per cent of  
367 absolute alcohol and sparkling wines, one dollar and eighty cents per  
368 wine gallon;

369 [(e)] (5) Alcohol in excess of 100 proof, five dollars and forty cents  
370 per proof gallon;

371        [(f)] (6) Liquor coolers containing not more than seven per cent of  
372 alcohol by volume, two dollars and forty-six cents per wine gallon;

373        [(g)] (7) Still wine containing not more than twenty-one per cent of  
374 absolute alcohol, produced by a person who produces not more than  
375 fifty-five thousand wine gallons of wine during the calendar year,  
376 eighteen cents per wine gallon, provided such person presents to each  
377 distributor of alcoholic beverages described in this section a certificate,  
378 issued by the commissioner, stating that such person produces not  
379 more than fifty-five thousand wine gallons of wine during the calendar  
380 year. The commissioner is authorized to issue such certificates,  
381 prescribe the procedures for obtaining such certificates and prescribe  
382 their form; and

383        [(h)] (8) Cider containing not more than seven per cent of absolute  
384 alcohol shall be subject to the same rate as applies to beer, as provided  
385 in [subsection (a)] subdivision (1) of this section.

386        Sec. 7. Section 12-790a of the general statutes is repealed and the  
387 following is substituted in lieu thereof (*Effective from passage*):

388        (a) As used in sections 12-790a to 12-790c, inclusive, "attorney",  
389 "certified public accountant", "commissioner", "creditor", "facilitator",  
390 "refund anticipation check", "refund anticipation loan", "return", "tax  
391 preparation services" and "tax preparer" have the same meanings as  
392 provided in section 12-790, and "commercial tax return preparation  
393 business" means a person that employs tax preparers.

394        (b) (1) On and after January 1, 2019, no person, except as provided  
395 in subsection (e) of this section, shall engage in the business of, solicit  
396 business as or advertise as furnishing tax preparation services or acting  
397 as a facilitator or make representations to be a tax preparer or  
398 facilitator, without a tax preparer permit or a facilitator permit, as  
399 applicable, issued by the commissioner. Each applicant for such permit  
400 and renewal of such permit shall apply by electronic means in the form  
401 and manner prescribed by the commissioner.

402 (2) Each individual applying for a permit shall (A) be eighteen years  
403 of age or older, (B) have obtained a high school diploma, (C) possess a  
404 preparer tax identification number issued by the Internal Revenue  
405 Service that shall be used by the tax preparer or facilitator for each  
406 return such tax preparer is required to sign and each refund  
407 anticipation loan or refund anticipation check such facilitator is  
408 required to sign, and (D) for a tax preparer, present evidence  
409 satisfactory to the commissioner that the applicant has experience,  
410 education or training in tax preparation services, which evidence shall  
411 include, on and after January 1, [2020] 2022, a certificate of completion  
412 of an annual filing season program administered by the Internal  
413 Revenue Service.

414 (3) The commissioner may issue a permit under this subsection to  
415 an applicant that presents evidence satisfactory to the commissioner  
416 that the applicant is authorized to act as a tax preparer or facilitator in  
417 a state that has professional requirements substantially similar to the  
418 requirements for tax preparers or facilitators in this state. The  
419 commissioner shall provide written notice of the commissioner's  
420 decision approving or denying an application for issuance or renewal  
421 of a permit not later than sixty days after receipt of the application.

422 (4) The fee for an initial application shall be one hundred dollars. A  
423 permit issued pursuant to this subsection shall expire after two years  
424 and a tax preparer or facilitator seeking renewal shall submit a renewal  
425 application and renewal fee of fifty dollars.

426 (5) If an individual acts as both a tax preparer and a facilitator, the  
427 commissioner shall issue a single permit covering both activities.

428 (c) (1) If, at any time following the issuance or renewal of a permit  
429 issued pursuant to subsection (b) of this section, any information  
430 provided to the commissioner by the tax preparer or facilitator is no  
431 longer accurate, such tax preparer or facilitator shall promptly provide  
432 updated information to the commissioner.

433 (2) The issuance of a tax preparer permit or a facilitator permit shall  
434 not be advertised as an endorsement by the commissioner of the tax  
435 preparer's or facilitator's services.

436 (d) (1) On and after January 1, 2019, the commissioner may impose  
437 on any tax preparer or facilitator that has not been issued a permit  
438 pursuant to this section a civil penalty of one hundred dollars for each  
439 day that the commissioner finds such tax preparer or facilitator to have  
440 provided tax preparation services or acted as a facilitator.

441 (2) On and after January 1, 2019, if a tax preparer, facilitator or  
442 commercial tax return preparation business employs an individual to  
443 provide tax preparation services or a person to act as a facilitator that  
444 is not exempt under subsection (e) of this section and has not been  
445 issued a permit pursuant to this section, the commissioner may impose  
446 on such employing tax preparer, facilitator or business a civil penalty  
447 of five hundred dollars per violation.

448 (3) On and after January 1, 2019, whenever a tax preparer ceases to  
449 engage in the preparation of or in advising or assisting in the  
450 preparation of personal income tax returns or a facilitator ceases to  
451 engage in the activities of a facilitator, such tax preparer or facilitator  
452 may apply to the commissioner for inactive permit status. A permit  
453 that is granted inactive status shall not require renewal, except that  
454 such permit may be reactivated before its expiration upon application  
455 to the commissioner with a payment of the renewal fee.

456 (4) A tax preparer or facilitator whose permit is inactive shall  
457 neither act as a tax preparer or facilitator nor advertise such tax  
458 preparer's or facilitator's status as being permitted to act as a tax  
459 preparer or facilitator.

460 (e) The following persons shall be exempt from the provisions of  
461 sections 12-790a to 12-790c, inclusive:

462 (1) An accountant holding (A) an active license issued by the State  
463 Board of Accountancy, or (B) a valid and active permit, license or

464 equivalent professional credential issued by another state or  
465 jurisdiction of the United States;

466 (2) An attorney and any person engaged in providing tax  
467 preparation services under the supervision of such attorney;

468 (3) An individual enrolled to practice before the Internal Revenue  
469 Service under Circular 230;

470 (4) An individual employed by a local, state or federal  
471 governmental agency while engaged in the performance of such  
472 person's official duties;

473 (5) An individual serving as an employee of or assistant to a tax  
474 preparer or a person exempted under this subsection, in the  
475 performance of official duties for such tax preparer or exempt person;

476 (6) An individual employed, full-time or part-time, to act as a tax  
477 preparer solely for the business purposes of such individual's  
478 employer;

479 (7) A person acting as a fiduciary on behalf of an estate; and

480 (8) An Internal Revenue Services qualified volunteer tax preparer,  
481 including, but not limited to, a tax preparer sponsored by the Tax  
482 Counseling for the Elderly program or the Volunteer Income Tax  
483 Assistance program.

484 (f) The commissioner shall maintain a public registry containing the  
485 names and principal business address of each person holding a permit  
486 pursuant to this section.

487 (g) The commissioner shall keep confidential any personal financial  
488 information gathered pursuant to an investigation of any alleged  
489 violation of sections 12-790a to 12-790c, inclusive, unless disclosure is  
490 (1) considered necessary for the investigation or prosecution of an  
491 alleged violation of this section or any regulation or order adopted

492 thereunder, or (2) otherwise expressly authorized under the provisions  
493 of federal or state law. For purposes of this subsection, "personal  
494 financial information" includes, but is not limited to, returns and  
495 return information, as defined under federal and state law.

496 Sec. 8. Section 13b-121 of the general statutes is repealed and the  
497 following is substituted in lieu thereof (*Effective from passage*):

498 (a) As used in this section, "transportation network company" and  
499 "prearranged ride" have the same meanings as provided in section 13b-  
500 116.

501 (b) Each transportation network company shall pay a fee of twenty-  
502 five cents on each prearranged ride that originates in this state.

503 (c) On or before the last day of the month next succeeding each  
504 calendar quarter, each transportation network company shall: (1) File a  
505 return electronically for the preceding period with the Commissioner  
506 of Revenue Services on such forms as the commissioner may prescribe;  
507 and (2) make payment of the fees required under subsection (b) of this  
508 section by electronic funds transfer in the manner provided by chapter  
509 228g. Any document received and maintained by the commissioner  
510 with respect to a transportation network company shall be return  
511 information, as defined in section 12-15, and shall not be subject to  
512 disclosure under the Freedom of Information Act, as defined in section  
513 1-200.

514 (d) Any fees due and unpaid under this section shall be subject to  
515 the penalties and interest established in section 12-547 and the amount  
516 of such fee, penalty or interest, due and unpaid, may be collected  
517 under the provisions of section 12-35, as amended by this act, as if they  
518 were taxes due to the state.

519 (e) The provisions of sections 12-548, 12-550 to 12-554, inclusive, as  
520 amended by this act, and 12-555b shall apply to the provisions of this  
521 section in the same manner and with the same force and effect as if the  
522 language of said sections had been incorporated in full into this section

523 and had expressly referred to the fee imposed under this section,  
524 except to the extent that any such provision is inconsistent with a  
525 provision of this section.

526 (f) Any fees received under this section shall be deposited into the  
527 General Fund. For revenue reporting purposes only, the Commissioner  
528 of Revenue Services shall include any such fees with the revenue  
529 reported under chapter [222] 225.

530 (g) The Commissioner of Revenue Services, in consultation with the  
531 Commissioner of Transportation, may adopt regulations in accordance  
532 with the provisions of chapter 54, to carry out the provisions of this  
533 section.

534 Sec. 9. Subsection (b) of section 32-9t of the general statutes is  
535 repealed and the following is substituted in lieu thereof (*Effective from*  
536 *passage and applicable to income years commencing on or after such date*):

537 (b) There is established an urban and industrial site reinvestment  
538 program under which taxpayers who make investments in eligible  
539 urban reinvestment projects or eligible industrial site investment  
540 projects may be allowed a credit against the tax imposed under  
541 [chapters 207 to 212a, inclusive,] chapter 207, 208, 208a, 209, 210, 211 or  
542 212 or section 38a-743, or a combination of [said] such taxes, in an  
543 amount equal to the percentage of their approved investment  
544 determined in accordance with subsection (i) of this section.

545 Sec. 10. Section 12-3a of the general statutes is repealed and the  
546 following is substituted in lieu thereof (*Effective from passage*):

547 (a) There is created a Penalty Review Committee, which shall  
548 consist of the State Comptroller or an employee of the office of the  
549 State Comptroller designated by said Comptroller, the Secretary of the  
550 Office of Policy and Management or an employee of the Office of  
551 Policy and Management designated by said secretary and the  
552 Commissioner of Revenue Services or an employee of the Department  
553 of Revenue Services designated by said commissioner. Said committee

554 shall meet monthly or as often as necessary to approve any waiver of  
555 penalty in excess of [one] five thousand dollars, which the  
556 Commissioner of Revenue Services is authorized to waive in  
557 accordance with this title, or which the Commissioner of Consumer  
558 Protection is authorized to waive in accordance with chapter 226. A  
559 majority vote of the committee shall be required for approval of such  
560 waiver.

561 (b) An itemized statement of all waivers approved under this  
562 section shall be available to the public for inspection by any person.

563 (c) The Penalty Review Committee created pursuant to subsection  
564 (a) of this section shall adopt regulations, in accordance with chapter  
565 54, establishing guidelines for the waiver of any penalty in [excess of  
566 one thousand dollars] accordance with this section.

567 (d) Any person aggrieved by the action of the Penalty Review  
568 Committee may, [within one month] not later than thirty days after  
569 notice of such action is delivered or mailed to such person, appeal  
570 therefrom to the superior court for the judicial district of New Britain,  
571 which shall be accompanied by a citation to the members of said  
572 committee to appear before said court. Such citation shall be signed by  
573 the same authority, and such appeal shall be returnable at the same  
574 time and served and returned in the same manner as is required in  
575 case of a summons in a civil action. The authority issuing the citation  
576 shall take from the appellant a bond or recognizance to the state of  
577 Connecticut with surety to prosecute the appeal to effect and to  
578 comply with the orders and decrees of the court in the premises. Such  
579 appeals shall be preferred cases, to be heard, unless cause appears to  
580 the contrary, at the first session, by the court or by a committee  
581 appointed by it. Said court may grant such relief as may be equitable.  
582 If the appeal is without probable cause, the court may tax double or  
583 triple costs, as the case demands; and, upon all such appeals which  
584 may be denied, costs may be taxed against the appellant at the  
585 discretion of the court, but no costs shall be taxed against the state.

586 Sec. 11. Section 12-30 of the general statutes is repealed and the  
587 following is substituted in lieu thereof (*Effective from passage*):

588 If the Commissioner of Revenue Services determines that any  
589 statute or regulation [he] the commissioner is charged with enforcing  
590 is being adversely affected, [he] the commissioner may impose a  
591 penalty of fifty dollars in case of a failure to file any return or report  
592 [which] that is required by law or regulation to be filed with the  
593 commissioner on or before the date prescribed therefor, which failure  
594 is determined with regard to any extension of time for filing. The  
595 commissioner may, upon application, if it is proven to [his] the  
596 commissioner's satisfaction that such failure is due to reasonable cause  
597 and is not due to negligence or intentional disregard of any provision  
598 of law or regulation, waive all or any part of such penalty. No taxpayer  
599 shall be subject to such penalty in relation to any tax period for which  
600 [he] such taxpayer is subject to a penalty for late payment of a tax or to  
601 an additional amount being added to the tax imposed based on a  
602 failure to file. If the commissioner does not, upon application, waive all  
603 or any part of such penalty, any person aggrieved by such action of the  
604 commissioner may, not later than [one month] thirty days after notice  
605 of such action is mailed or delivered to such person, appeal therefrom  
606 to the superior court for the judicial district of Hartford. The appeal  
607 shall be accompanied by a citation to the commissioner to appear  
608 before said court. Such citation shall be signed by the same authority,  
609 and such appeal shall be returnable at the same time and served and  
610 returned in the same manner as is required in case of a summons in a  
611 civil action. The authority issuing the citation shall take from the  
612 appellant a bond or recognizance to the state of Connecticut with  
613 surety to prosecute the appeal to effect and to comply with the orders  
614 and decrees of the court in the premises. Such appeals shall be  
615 preferred cases, to be heard, unless cause appears to the contrary, at  
616 the first session, by the court or by a committee appointed by it. Said  
617 court may grant such relief as may be equitable. If the appeal is  
618 without probable cause, the court may tax double or triple costs, as the  
619 case demands; and, upon all such appeals which may be denied, costs

620 may be taxed against the appellant at the discretion of the court, but no  
621 costs shall be taxed against the state.

622 Sec. 12. Section 12-208 of the general statutes is repealed and the  
623 following is substituted in lieu thereof (*Effective from passage*):

624 (a) Any company subject to any tax or charge under this chapter  
625 that is aggrieved by the action of the commissioner or [his] the  
626 commissioner's authorized agent in fixing the amount of any tax,  
627 penalty, interest or charge provided for by this chapter may apply to  
628 the commissioner, in writing, [within] not later than sixty days after  
629 the notice of such action is delivered or mailed to [it] the company, for  
630 a hearing and a correction of the amount of such tax, penalty, interest  
631 or charge, so fixed, setting forth the reasons why such hearing should  
632 be granted and the amount in which such tax, penalty, interest or  
633 charge should be reduced. The commissioner shall promptly consider  
634 each such application and may grant or deny the hearing requested. If  
635 the hearing is denied, the applicant shall be notified forthwith. If it is  
636 granted, the commissioner shall notify the applicant of the time and  
637 place fixed for such hearing. After such hearing the commissioner may  
638 make such order in the premises as appears to him just and lawful and  
639 shall furnish a copy of such order to the applicant. The commissioner  
640 may, by notice in writing, at any time within three years after the date  
641 when any return of any such person has been due, order a hearing on  
642 his own initiative and require such person or any other individual  
643 whom [he] the commissioner believes to be in possession of relevant  
644 information concerning such person to appear before [him or his] the  
645 commissioner or the commissioner's authorized agent with any  
646 specified books of account, papers or other documents, for  
647 examination under oath.

648 (b) Any company subject to any tax or charge under this chapter  
649 that is aggrieved because of any order, decision, determination or  
650 disallowance of the Commissioner of Revenue Services made under  
651 this chapter may, [within one month] not later than thirty days after  
652 service of notice of such order, decision, determination or

653 disallowance, take an appeal therefrom to the superior court for the  
654 judicial district of New Britain, which appeal shall be accompanied by  
655 a citation to the Commissioner of Revenue Services to appear before  
656 said court. Such citation shall be signed by the same authority, and  
657 such appeal shall be returnable at the same time and served and  
658 returned in the same manner, as is required in case of a summons in a  
659 civil action. The authority issuing the citation shall take from the  
660 appellant a bond or recognizance to the state of Connecticut, with  
661 surety, to prosecute the appeal to effect and to comply with the orders  
662 and decrees of the court in the premises. Such appeals shall be  
663 preferred cases, to be heard, unless cause appears to the contrary, at  
664 the first session, by the court or by a committee appointed by the court.  
665 Said court may grant such relief as may be equitable and, if such tax or  
666 charge has been paid prior to the granting of such relief, may order the  
667 [State] Treasurer to pay the amount of such relief, with interest at the  
668 rate of two-thirds of one per cent per month or fraction thereof, to such  
669 aggrieved person. If the appeal has been taken without probable cause,  
670 the court may tax double or triple costs, as the case demands; and,  
671 upon all such appeals which are denied, costs may be taxed against the  
672 appellant at the discretion of the court, but no costs shall be taxed  
673 against the state.

674 Sec. 13. Section 12-237 of the general statutes is repealed and the  
675 following is substituted in lieu thereof (*Effective from passage*):

676 Any taxpayer aggrieved because of any order, decision,  
677 determination or disallowance of the Commissioner of Revenue  
678 Services under the provisions of this part may, [within one month] not  
679 later than thirty days after service upon the taxpayer of notice of such  
680 order, decision, determination or disallowance, take an appeal  
681 therefrom to the superior court for the judicial district of New Britain,  
682 which shall be accompanied by a citation to the Commissioner of  
683 Revenue Services to appear before said court. Such citation shall be  
684 signed by the same authority, and such appeal shall be returnable at  
685 the same time and served and returned in the same manner, as is

686 required in case of a summons in a civil action. The authority issuing  
687 the citation shall take from the appellant a bond or recognizance to the  
688 state of Connecticut, with surety to prosecute the appeal to effect and  
689 to comply with the orders and decrees of the court in the premises.  
690 Such appeals shall be preferred cases, to be heard, unless cause  
691 appears to the contrary, at the first session, by the court or by a  
692 committee appointed by it. Said court may grant such relief as may be  
693 equitable and, if such tax has been paid prior to the granting of such  
694 relief, may order the Treasurer to pay the amount of such relief, with  
695 interest at the rate of eight per cent per annum, to the aggrieved  
696 taxpayer. If the appeal has been taken without probable cause, the  
697 court may tax double or triple costs, as the case demands; and, upon  
698 all such appeals which may be denied, costs may be taxed against the  
699 appellant at the discretion of the court, but no costs shall be taxed  
700 against the state.

701       Sec. 14. Subsection (b) of section 12-263v of the general statutes is  
702 repealed and the following is substituted in lieu thereof (*Effective from*  
703 *passage*):

704       (b) Any taxpayer subject to any tax or fee under section 12-263q or  
705 12-263r that is aggrieved because of any order, decision, determination  
706 or disallowance of the commissioner made under sections 12-263q to  
707 12-263u, inclusive, or subsection (a) of this section may, not later than  
708 [one month] thirty days after service of notice of such order, decision,  
709 determination or disallowance, take an appeal therefrom to the  
710 superior court for the judicial district of New Britain, which appeal  
711 shall be accompanied by a citation to the commissioner to appear  
712 before said court. Such citation shall be signed by the same authority  
713 and such appeal shall be returnable at the same time and served and  
714 returned in the same manner as is required in case of a summons in a  
715 civil action. The authority issuing the citation shall take from the  
716 appellant a bond or recognizance to the state of Connecticut, with  
717 surety, to prosecute the appeal to effect and to comply with the orders  
718 and decrees of the court in the premises. Such appeals shall be

719 preferred cases, to be heard, unless cause appears to the contrary, at  
720 the first session, by the court or by a committee appointed by the court.  
721 Said court may grant such relief as may be equitable and, if such tax or  
722 charge has been paid prior to the granting of such relief, may order the  
723 Treasurer to pay the amount of such relief, with interest at the rate of  
724 two-thirds of one per cent per month or fraction thereof, to such  
725 taxpayer. If the appeal has been taken without probable cause, the  
726 court may tax double or triple costs, as the case demands and, upon all  
727 such appeals that are denied, costs may be taxed against such taxpayer  
728 at the discretion of the court but no costs shall be taxed against the  
729 state.

730 Sec. 15. Section 12-268*l* of the general statutes is repealed and the  
731 following is substituted in lieu thereof (*Effective from passage*):

732 Any taxpayer aggrieved because of any order, decision,  
733 determination or disallowance of the Commissioner of Revenue  
734 Services made under the provisions of chapter 210, 211 or 212 or this  
735 chapter may, [within one month] not later than thirty days after service  
736 upon the taxpayer of notice of such order, decision, determination or  
737 disallowance, take an appeal therefrom to the superior court for the  
738 judicial district of New Britain, which shall be accompanied by a  
739 citation to the Commissioner of Revenue Services to appear before said  
740 court. Such citation shall be signed by the same authority, and such  
741 appeal shall be returnable at the same time and served and returned in  
742 the same manner, as is required in case of a summons in a civil action.  
743 The authority issuing the citation shall take from the appellant a bond  
744 or recognizance to the state of Connecticut, with surety to prosecute  
745 the appeal to effect and to comply with the orders and decrees of the  
746 court in the premises. Such appeals shall be preferred cases, to be  
747 heard, unless cause appears to the contrary, at the first session, by the  
748 court or by a committee appointed by it. Said court may grant such  
749 relief as may be equitable and, if such tax has been paid prior to the  
750 granting of such relief, may order the Treasurer to pay the amount of  
751 such relief, with interest at the rate of two-thirds of one per cent per

752 month or fraction thereof to the aggrieved taxpayer. If the appeal has  
753 been taken without probable cause, the court may tax double or triple  
754 costs, as the case demands; and, upon all such appeals which may be  
755 denied, costs may be taxed against the appellant at the discretion of the  
756 court, but no costs shall be taxed against the state.

757 Sec. 16. Section 12-312 of the general statutes is repealed and the  
758 following is substituted in lieu thereof (*Effective from passage*):

759 Any person aggrieved because of any decision, order, determination  
760 or disallowance of the commissioner under the provisions of this  
761 chapter may, [within one month] not later than thirty days after service  
762 upon such person of notice of such decision, order, determination or  
763 disallowance, appeal therefrom to the superior court for the judicial  
764 district of New Britain, which appeal shall be accompanied by a  
765 citation to the Commissioner of Revenue Services to appear before said  
766 court. Such citation shall be signed by the same authority, and such  
767 appeal shall be returnable at the same time and served and returned in  
768 the same manner, as is required in case of a summons in a civil action.  
769 The authority issuing the citation shall take from the appellant a bond  
770 or recognizance to the state of Connecticut, with surety to prosecute  
771 the appeal to effect and to comply with the orders and decrees of the  
772 court in the premises. Such appeals shall be preferred cases, to be  
773 heard, unless cause appears to the contrary, at the first session, by the  
774 court or by a committee appointed by it. Said court may grant such  
775 relief as may be equitable and, if such tax has been paid prior to the  
776 granting of such relief, may order the Treasurer to pay the amount of  
777 such relief, with interest at the rate of two-thirds of one per cent per  
778 month or fraction thereof, to the aggrieved taxpayer. If the appeal has  
779 been taken without probable cause, the court may tax double or triple  
780 costs, as the case demands; and, upon all such appeals which are  
781 denied, costs may be taxed against the appellant at the discretion of the  
782 court, but no costs shall be taxed against the state.

783 Sec. 17. Section 12-330m of the general statutes is repealed and the  
784 following is substituted in lieu thereof (*Effective from passage*):

785 Any person aggrieved because of any decision, order, determination  
786 or disallowance of the commissioner under the provisions of this  
787 chapter may, [within one month] not later than thirty days after service  
788 upon such person of notice of such decision, order, determination or  
789 disallowance, appeal therefrom to the superior court for the judicial  
790 district of New Britain, which appeal shall be accompanied by a  
791 citation to the commissioner to appear before said court. Such citation  
792 shall be signed by the same authority, and such appeal shall be  
793 returnable at the same time and served and returned in the same  
794 manner, as is required in case of a summons in a civil action. The  
795 authority issuing the citation shall take from the appellant a bond or  
796 recognizance to the state of Connecticut, with surety to prosecute the  
797 appeal to effect and to comply with the orders and decrees of the court  
798 in the premises. Such appeals shall be preferred cases, to be heard,  
799 unless cause appears to the contrary, at the first session, by the court or  
800 by a committee appointed by it. Said court may grant such relief as  
801 may be equitable and, if such tax has been paid prior to the granting of  
802 such relief, may order the Treasurer to pay the amount of such relief,  
803 with interest at the rate of six per cent per annum, to the aggrieved  
804 taxpayer. If the appeal has been taken without probable cause, the  
805 court may tax double or triple costs, as the case demands; and, upon  
806 all such appeals which are denied, costs may be taxed against the  
807 appellant at the discretion of the court, but no costs shall be taxed  
808 against the state.

809 Sec. 18. Section 12-422 of the general statutes is repealed and the  
810 following is substituted in lieu thereof (*Effective from passage*):

811 Any taxpayer aggrieved because of any order, decision,  
812 determination or disallowance of the Commissioner of Revenue  
813 Services under section 12-418, 12-421 or 12-425 may, [within one  
814 month] not later than thirty days after service upon the taxpayer of  
815 notice of such order, decision, determination or disallowance, take an  
816 appeal therefrom to the superior court for the judicial district of New  
817 Britain, which shall be accompanied by a citation to the Commissioner

818 of Revenue Services to appear before said court. Such citation shall be  
819 signed by the same authority, and such appeal shall be returnable at  
820 the same time and served and returned in the same manner, as is  
821 required in case of a summons in a civil action. The authority issuing  
822 the citation shall take from the appellant a bond or recognizance to the  
823 state of Connecticut, with surety to prosecute the appeal to effect and  
824 to comply with the orders and decrees of the court in the premises.  
825 Such appeals shall be preferred cases, to be heard, unless cause  
826 appears to the contrary, at the first session, by the court or by a  
827 committee appointed by it. Said court may grant such relief as may be  
828 equitable and, if such tax has been paid prior to the granting of such  
829 relief, may order the Treasurer to pay the amount of such relief, with  
830 interest at the rate of two-thirds of one per cent per month or fraction  
831 thereof, to the aggrieved taxpayer. If the appeal has been taken  
832 without probable cause, the court may tax double or triple costs, as the  
833 case demands; and, upon all such appeals which are denied, costs may  
834 be taxed against the appellant at the discretion of the court, but no  
835 costs shall be taxed against the state.

836 Sec. 19. Section 12-448 of the general statutes is repealed and the  
837 following is substituted in lieu thereof (*Effective from passage*):

838 Any taxpayer aggrieved because of any decision, order,  
839 determination or disallowance of the Commissioner of Revenue  
840 Services under the provisions of this chapter may, [within one month]  
841 not later than thirty days after service upon such taxpayer of notice of  
842 such decision, order, determination or disallowance, take an appeal  
843 therefrom to the superior court for the judicial district of New Britain,  
844 which appeal shall be accompanied by a citation to the Commissioner  
845 of Revenue Services to appear before said court. Such citation shall be  
846 signed by the same authority, and such appeal shall be returnable at  
847 the same time and served and returned in the same manner, as is  
848 required in case of a summons in a civil action. The authority issuing  
849 the citation shall take from the appellant a bond or recognizance to the  
850 state of Connecticut, with surety to prosecute the appeal to effect and

851 to comply with the orders and decrees of the court in the premises.  
852 Such appeals shall be preferred cases, to be heard, unless cause  
853 appears to the contrary, at the first session, by the court or by a  
854 committee appointed by the court. Said court may grant such relief as  
855 may be equitable, and, if such tax has been paid prior to the granting  
856 of such relief, may order the Treasurer to pay the amount of such  
857 relief, with interest at the rate of two-thirds of one per cent per month  
858 or fraction thereof, to the aggrieved taxpayer. If the appeal has been  
859 taken without probable cause, the court may tax double or triple costs,  
860 as the case demands; and, upon all such appeals which are denied,  
861 costs may be taxed against the appellant at the discretion of the court,  
862 but no costs shall be taxed against the state.

863 Sec. 20. Section 12-463 of the general statutes is repealed and the  
864 following is substituted in lieu thereof (*Effective from passage*):

865 Any distributor aggrieved because of any order, decision,  
866 determination or disallowance of the commissioner made under this  
867 chapter may, [within one month] not later than thirty days after service  
868 of notice of such order, decision, determination or disallowance, take  
869 an appeal therefrom to the superior court for the judicial district of  
870 New Britain, which shall be accompanied by a citation to the  
871 Commissioner of Revenue Services to appear before said court. Such  
872 citation shall be signed by the same authority, and such appeal shall be  
873 returnable at the same time and served and returned in the same  
874 manner, as is required in case of a summons in a civil action. The  
875 authority issuing the citation shall take from the appellant a bond or  
876 recognizance to the state of Connecticut, with surety, to prosecute the  
877 appeal to effect and to comply with the orders and decrees of the court  
878 in the premises. Such appeals shall be preferred cases, to be heard,  
879 unless cause appears to the contrary, at the first session, by the court or  
880 by a committee appointed by it. Said court may grant such relief as  
881 may be equitable and, if such tax has been paid prior to the granting of  
882 such relief, may order the Treasurer to pay the amount of such relief,  
883 with interest at the rate of two-thirds of one per cent per month or

884 fraction thereof to the aggrieved distributor. If the appeal has been  
885 taken without probable cause, the court may tax double or triple costs,  
886 as the case demands; and, upon all such appeals which may be denied,  
887 costs may be taxed against the appellant at the discretion of the court,  
888 but no costs shall be taxed against the state.

889 Sec. 21. Section 12-489 of the general statutes is repealed and the  
890 following is substituted in lieu thereof (*Effective from passage*):

891 (a) Any motor carrier aggrieved by any act of the commissioner or  
892 [his] the commissioner's authorized agent under this chapter may  
893 apply to the commissioner, in writing, [within] not later than sixty  
894 days after notification of any such act of the commissioner is delivered  
895 or mailed to [it] the motor carrier, for a hearing and a correction of the  
896 amount of any tax, penalty or interest, setting forth reasons why such  
897 hearing should be granted and the amount by which such tax, penalty  
898 or interest should be reduced. The commissioner shall promptly  
899 consider each such application and may grant or deny the hearing  
900 requested. If the hearing is denied, the applicant shall be notified  
901 forthwith. If it is granted, the commissioner shall notify the applicant  
902 of the time and place fixed for such hearing. After such hearing the  
903 commissioner may make such order in the premises as appears to  
904 [him] the commissioner just and lawful and shall furnish a copy of  
905 such order to the applicant. The commissioner may, by notice in  
906 writing, at any time within three years after the date when any return  
907 of any taxpayer has been due, order a hearing on [his] the  
908 commissioner's own initiative and require the taxpayer or any  
909 individual whom [he] the commissioner believes to be in possession of  
910 relevant information concerning the taxpayer to appear before [him or  
911 his] the commissioner or the commissioner's authorized agent with  
912 any specified books of account, papers or other documents, for  
913 examination under oath.

914 (b) Any motor carrier aggrieved because of any order, decision,  
915 determination or disallowance of the commissioner made under this  
916 chapter may, [within one month] not later than thirty days after service

917 of notice of such order, decision, determination or disallowance, take  
918 an appeal therefrom to the superior court for the judicial district of  
919 New Britain, which shall be accompanied by a citation to the  
920 Commissioner of Revenue Services to appear before said court. Such  
921 citation shall be signed by the same authority, and such appeal shall be  
922 returnable at the same time and served and returned in the same  
923 manner, as is required in case of a summons in a civil action. The  
924 authority issuing the citation shall take from the appellant a bond or  
925 recognizance to the state of Connecticut, with surety, to prosecute the  
926 appeal to effect and to comply with the orders and decrees of the court  
927 in the premises. Such appeals shall be preferred cases, to be heard,  
928 unless cause appears to the contrary, at the first session, by the court or  
929 by a committee appointed by it. Said court may grant such relief as  
930 may be equitable and, if any tax or fee has been paid prior to the  
931 granting of such relief, may order the Treasurer to pay the amount of  
932 such relief, with interest at the rate of two-thirds of one per cent per  
933 month or fraction thereof to the aggrieved motor carrier. If the appeal  
934 has been taken without probable cause, the court may tax double or  
935 triple costs, as the case demands; and, upon all such appeals which are  
936 denied, costs may be taxed against the appellant at the discretion of the  
937 court, but no costs shall be taxed against the state.

938 Sec. 22. Section 12-554 of the general statutes is repealed and the  
939 following is substituted in lieu thereof (*Effective from passage*):

940 Any taxpayer aggrieved because of any order, decision,  
941 determination or disallowance of the Commissioner of Revenue  
942 Services under the provisions of this chapter may, [within one month]  
943 not later than thirty days after service upon the taxpayer of notice of  
944 such order, decision, determination or disallowance, take an appeal  
945 therefrom to the superior court for the judicial district of New Britain,  
946 which shall be accompanied by a citation to the Commissioner of  
947 Revenue Services to appear before said court. Such citation shall be  
948 signed by the same authority, and such appeal shall be returnable at  
949 the same time and served and returned in the same manner, as is

950 required in case of summons in a civil action. The authority issuing the  
951 citation shall take from the appellant a bond or recognizance to the  
952 state of Connecticut, with surety to prosecute the appeal to effect and  
953 to comply with the orders and decrees of the court in the premises.  
954 Such appeals shall be preferred cases to be heard, unless cause appears  
955 to the contrary, at the first session by the court or by a committee  
956 appointed by it. Said court may grant such relief as may be equitable  
957 and, if such tax has been paid prior to the granting of such relief, may  
958 order the Treasurer to pay the amount of such relief, with interest at  
959 the rate of two-thirds of one per cent per month or fraction thereof, to  
960 the aggrieved taxpayer. If the appeal has been taken without probable  
961 cause, the court may tax double or triple costs, as the case demands;  
962 and, upon all such appeals which may be denied, costs may be taxed  
963 against the appellant at the discretion of the court, but no costs shall be  
964 taxed against the state.

965 Sec. 23. Subsection (d) of section 12-586f of the general statutes is  
966 repealed and the following is substituted in lieu thereof (*Effective from*  
967 *passage*):

968 (d) If the tribe is aggrieved due to any assessment levied pursuant to  
969 such compact and this section or by any failure to adjust an excess  
970 assessment in accordance with the provisions of the compact and this  
971 section, it may, [within one month from] not later than thirty days after  
972 the time provided for the payment of such assessment, appeal  
973 therefrom in accordance with the terms of the compact, to the superior  
974 court for the judicial district of Hartford, which appeal shall be  
975 accompanied by a citation to the Commissioner of Consumer  
976 Protection to appear before said court. Such citation shall be signed by  
977 the same authority, and such appeal shall be returnable at the same  
978 time and served and returned in the same manner as is required in  
979 case of a summons in a civil action. Proceedings in such matter shall be  
980 conducted in the same manner as provided for in section 38a-52.

981 Sec. 24. Subsection (d) of section 12-586g of the general statutes is  
982 repealed and the following is substituted in lieu thereof (*Effective from*

983 *passage*):

984 (d) If the tribe is aggrieved due to any assessment levied pursuant to  
985 such compact and this section or by any failure to adjust an excess  
986 assessment in accordance with the provisions of the compact and this  
987 section, it may, [within one month from] not later than thirty days after  
988 the time provided for the payment of such assessment, appeal  
989 therefrom in accordance with the terms of the compact, to the superior  
990 court for the judicial district of New Britain, which appeal shall be  
991 accompanied by a citation to the Commissioner of Consumer  
992 Protection to appear before said court. Such citation shall be signed by  
993 the same authority, and such appeal shall be returnable at the same  
994 time and served and returned in the same manner as is required in  
995 case of a summons in a civil action. Proceedings in such matter shall be  
996 conducted in the same manner as provided for in section 38a-52.

997 Sec. 25. Section 12-597 of the general statutes is repealed and the  
998 following is substituted in lieu thereof (*Effective from passage*):

999 Any taxpayer aggrieved because of any order, decision,  
1000 determination or disallowance of the Commissioner of Revenue  
1001 Services made in relation to the tax imposed under section 12-587 may,  
1002 [within one month] not later than thirty days after service upon the  
1003 taxpayer of notice of such order, decision, determination or  
1004 disallowance, take an appeal therefrom to the superior court for the  
1005 judicial district of New Britain, which shall be accompanied by a  
1006 citation to said commissioner to appear before said court. Such citation  
1007 shall be signed by the same authority and such appeal shall be  
1008 returnable at the same time and served and returned in the same  
1009 manner as is required in case of a summons in a civil action. The  
1010 authority issuing the citation shall take from the appellant a bond or  
1011 recognizance to the state of Connecticut with surety to prosecute the  
1012 appeal to effect and to comply with the orders and decrees of the court  
1013 in the premises. Such appeals shall be preferred cases, to be heard,  
1014 unless cause appears to the contrary, at the first session, by the court or  
1015 by a committee appointed by it. If the appeal has been taken without

1016 probable cause, the court may tax double or triple costs, as the case  
1017 demands and upon all such appeals which may be denied, costs may  
1018 be taxed against the appellant at the discretion of the court, but no  
1019 costs shall be taxed against the state.

1020 Sec. 26. Section 12-638i of the general statutes is repealed and the  
1021 following is substituted in lieu thereof (*Effective from passage*):

1022 (a) Any taxpayer, aggrieved by the action of the commissioner or  
1023 [his] the commissioner's authorized agent in fixing the amount of any  
1024 tax, penalty or interest provided for by this chapter may apply to the  
1025 commissioner, in writing, [within] not later than sixty days after notice  
1026 of such action is delivered or mailed to [him] the taxpayer, for a  
1027 hearing and a correction of the amount of the tax, penalty or interest so  
1028 fixed, setting forth the reasons why such hearing should be granted  
1029 and the amount of the tax, penalty or interest should be reduced. The  
1030 commissioner shall promptly consider each such application and may  
1031 grant or deny the hearing requested. If the hearing is denied, the  
1032 applicant shall be notified thereof forthwith. If it is granted, the  
1033 commissioner shall notify the applicant of the time and place fixed for  
1034 such hearing. After such hearing the commissioner may make such  
1035 order in the premises as appears to [him] the commissioner just and  
1036 lawful and shall furnish a copy of such order to the applicant. The  
1037 commissioner may, by notice in writing, at any time within three years  
1038 after the date when any return of any taxpayer has been due, order a  
1039 hearing on [his] the commissioner's own initiative and require the  
1040 taxpayer or any other individual whom [he] the commissioner believes  
1041 to be in possession of relevant information concerning the taxpayer to  
1042 appear before [him or his] the commissioner or the commissioner's  
1043 authorized agent with any specified books of account, papers or other  
1044 documents, for examination under oath.

1045 (b) Any taxpayer aggrieved because of any order, decision,  
1046 determination or disallowance of the Commissioner of Revenue  
1047 Services under the provisions of this chapter may, [within one month]  
1048 not later than thirty days after service upon the taxpayer of notice of

1049 such order, decision, determination or disallowance, take an appeal  
1050 therefrom to the superior court for the judicial district of New Britain,  
1051 which shall be accompanied by a citation to the Commissioner of  
1052 Revenue Services to appear before said court. Such citation shall be  
1053 signed by the same authority and such appeal shall be returnable at  
1054 the same time and served and returned in the same manner, as is  
1055 required in case of summons in a civil action. The authority issuing the  
1056 citation shall take from the appellant a bond or recognizance to the  
1057 state of Connecticut with surety to prosecute the appeal to effect and to  
1058 comply with the orders and decrees of the court in the premises. Such  
1059 appeals shall be preferred cases to be heard, unless cause appears to  
1060 the contrary, at the first session by the court or by a committee  
1061 appointed by it. Said court may grant such relief as may be equitable  
1062 and, if such tax has been paid prior to the granting of such relief, may  
1063 order the Treasurer to pay the amount of such relief, with interest at  
1064 the rate of two-thirds of one per cent per month or fraction thereof, to  
1065 the aggrieved taxpayer. If the appeal has been taken without probable  
1066 cause, the court may tax double or triple costs, as the case demands  
1067 and, upon all such appeals which may be denied, costs may be taxed  
1068 against the appellant at the discretion of the court, but no costs shall be  
1069 taxed against the state.

1070 Sec. 27. Section 12-730 of the general statutes is repealed and the  
1071 following is substituted in lieu thereof (*Effective from passage*):

1072 Notwithstanding the provisions of chapter 54 to the contrary, any  
1073 taxpayer aggrieved because of any determination or disallowance by  
1074 the commissioner under section 12-729, 12-729a or 12-732 may, [within  
1075 one month] not later than thirty days after notice of the commissioner's  
1076 determination or disallowance is mailed to the taxpayer, take an  
1077 appeal therefrom to the superior court for the judicial district of New  
1078 Britain, which shall be accompanied by a citation to the commissioner  
1079 to appear before said court. Such citation shall be signed by the same  
1080 authority, and such appeal shall be returnable at the same time and  
1081 served and returned in the same manner, as is required in case of a

1082 summons in a civil action. The authority issuing the citation shall take  
1083 from the appellant a bond or recognizance to the state of Connecticut,  
1084 with surety to prosecute the appeal to effect and to comply with the  
1085 orders and decrees of the court in the premises. Such appeals shall be  
1086 preferred cases, to be heard unless cause appears to the contrary, at the  
1087 first session by the court or by a committee appointed by it. Said court  
1088 may grant such relief as may be equitable and, if such tax has been  
1089 paid prior to the granting of such relief, may order the Treasurer to  
1090 pay the amount of such relief, with interest at the rate of two-thirds of  
1091 one per cent per month or fraction thereof, to the aggrieved taxpayer.  
1092 If the appeal has been taken without probable cause, the court may  
1093 charge double or triple costs, as the case demands, and upon all such  
1094 appeals which may be denied, costs may be taxed against the appellant  
1095 at the discretion of the court but no costs shall be taxed against the  
1096 state.

1097 Sec. 28. Section 12-39h of the general statutes is repealed and the  
1098 following is substituted in lieu thereof (*Effective from passage*):

1099 Notwithstanding any instructions by the payor to the contrary, any  
1100 partial payment against any tax outstanding shall be applied by the  
1101 Commissioner of Revenue Services first to any penalties unless a  
1102 waiver of penalty has been requested and approved in accordance  
1103 with the general statutes, and (1) for periods ending on or after July 1,  
1104 2018, and prior to December 31, 2019, any amount in excess of such  
1105 penalty shall be applied first to such tax and then to the interest on  
1106 such tax, and (2) for periods ending on and after December 31, 2019,  
1107 any amount in excess of such penalty shall be applied first to interest  
1108 on such tax and then to the tax.

1109 Sec. 29. Subsection (b) of section 12-687 of the general statutes is  
1110 repealed and the following is substituted in lieu thereof (*Effective from*  
1111 *passage*):

1112 (b) Where any tax payment is required to be made by electronic  
1113 funds transfer, such payment shall be treated as a tax payment not

1114 made in a timely manner if the electronic funds transfer for the amount  
1115 of the tax payment is not initiated on or before the due date thereof.  
1116 [Any] (1) For periods ending prior to December 31, 2019, any tax  
1117 payment treated under this subsection as a tax payment not made in a  
1118 timely manner shall be subject to interest in accordance with the  
1119 applicable provisions of the general statutes, and a penalty that shall  
1120 be equal to two per cent of the tax payment required to be made by  
1121 electronic funds transfer, if such failure to pay by electronic funds  
1122 transfer is for not more than five days, five per cent of the tax payment  
1123 required to be made by electronic funds transfer, if such failure to pay  
1124 by electronic funds transfer is for more than five days but not more  
1125 than fifteen days, and ten per cent of the tax payment required to be  
1126 made by electronic funds transfer, if such failure to pay by electronic  
1127 funds transfer is for more than fifteen days; and (2) for periods ending  
1128 on and after December 31, 2019, any tax payment treated under this  
1129 subsection as a tax payment not made in a timely manner shall be  
1130 subject to interest and penalty in accordance with the applicable  
1131 provisions of the general statutes.

1132 Sec. 30. (NEW) (*Effective July 1, 2019, and applicable to refund claims*  
1133 *received on or after July 1, 2019*) Notwithstanding any other provision of  
1134 law, no refund shall be made to a person of tax collected from a  
1135 customer of such person until the person has established to the  
1136 satisfaction of the Commissioner of Revenue Services that the amount  
1137 of tax for which the refund is being claimed has been or will be repaid  
1138 to the customer.

1139 Sec. 31. Subdivision (2) of subsection (e) of section 12-391 of the  
1140 general statutes is repealed and the following is substituted in lieu  
1141 thereof (*Effective from passage*):

1142 (2) (A) For a nonresident estate, the state shall have the power to  
1143 levy the estate tax upon all real property situated in this state and  
1144 tangible personal property having an actual situs in this state.

1145 (B) For real property and tangible personal property owned by a

1146 pass-through entity, the entity shall be disregarded for estate tax  
 1147 purposes and such property shall be treated as personally owned by  
 1148 the decedent if (i) the entity does not actively carry on a business for  
 1149 the purpose of profit and gain, (ii) the ownership of the property by  
 1150 the entity was not for a valid business purpose, or (iii) the property  
 1151 was acquired by other than a bona fide sale for full and adequate  
 1152 consideration and the decedent retained a power with respect to or  
 1153 interest in the property that would bring the real property situated in  
 1154 this state or the tangible personal property having an actual situs in the  
 1155 state within the decedent's federal gross estate. For purposes of this  
 1156 subparagraph, "pass-through entity" means a partnership or an S  
 1157 corporation, as those terms are defined in section 12-699, as amended  
 1158 by this act, or a single member limited liability company that is  
 1159 disregarded for federal income tax purposes.

1160 (C) The state is permitted to calculate the estate tax and levy said tax  
 1161 to the fullest extent permitted by the Constitution of the United States.

1162 Sec. 32. Sections 12-33 and 12-390a to 12-390e, inclusive, of the  
 1163 general statutes are repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019</i>	12-699
Sec. 2	<i>July 1, 2019, and applicable to taxable years commencing on or after January 1, 2019</i>	12-699a(b)(1)
Sec. 3	<i>from passage</i>	3-20j(a)(8)
Sec. 4	<i>October 1, 2019</i>	12-35(b)(2)
Sec. 5	<i>from passage and applicable to claims for credit received on or after such date</i>	12-408(2)(B)

Sec. 6	<i>July 1, 2019</i>	12-435
Sec. 7	<i>from passage</i>	12-790a
Sec. 8	<i>from passage</i>	13b-121
Sec. 9	<i>from passage and applicable to income years commencing on or after such date</i>	32-9t(b)
Sec. 10	<i>from passage</i>	12-3a
Sec. 11	<i>from passage</i>	12-30
Sec. 12	<i>from passage</i>	12-208
Sec. 13	<i>from passage</i>	12-237
Sec. 14	<i>from passage</i>	12-263v(b)
Sec. 15	<i>from passage</i>	12-268l
Sec. 16	<i>from passage</i>	12-312
Sec. 17	<i>from passage</i>	12-330m
Sec. 18	<i>from passage</i>	12-422
Sec. 19	<i>from passage</i>	12-448
Sec. 20	<i>from passage</i>	12-463
Sec. 21	<i>from passage</i>	12-489
Sec. 22	<i>from passage</i>	12-554
Sec. 23	<i>from passage</i>	12-586f(d)
Sec. 24	<i>from passage</i>	12-586g(d)
Sec. 25	<i>from passage</i>	12-597
Sec. 26	<i>from passage</i>	12-638i
Sec. 27	<i>from passage</i>	12-730
Sec. 28	<i>from passage</i>	12-39h
Sec. 29	<i>from passage</i>	12-687(b)
Sec. 30	<i>July 1, 2019, and applicable to refund claims received on or after July 1, 2019</i>	New section
Sec. 31	<i>from passage</i>	12-391(e)(2)
Sec. 32	<i>from passage</i>	Repealer section

**FIN**      *Joint Favorable Subst.*